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TAGS: [PGOV](#) [PREL](#) [IZ](#)
SUBJECT: PRT DIYALA: DG FOR OIL FIRED-TESTING THE
PROVINCIAL POWERS LAW

Classified By: Classified by: Paul Hestand, PRT Diyala Acting Team Lead
er for reasons: 1.4 (b) and (d)

11. THIS IS A PRT-DIYALA REPORTING CABLE

12. (C) SUMMARY: On July 28, 2009 the Diyala Provincial Council terminated the Director General for the Administration of Petroleum Products for professional malfeasance. Though the termination order is supported by the Provincial Governor, the Ministry of Oil refuses to acknowledge provincial authority in this matter and the Director General remains in his position. This rejection of the Council's decision is a direct challenge to the authority of the Provincial Government as defined in the Provincial Powers Law.

COUNCIL EXERCISES OVERSIGHT AUTHORITY

13. (SBU) Acting on the recommendation of an investigative committee formed by the Governor, during its weekly plenary session the Provincial Council (PC), questioned the Director General (DG) of Oil, Mr. Sakban Hadi Mohammad regarding reports of dereliction and corruption in his office. Based on the results of their findings, the PC voted on July 28 to sack Sakban. A PC Administrative Order was issued terminating the DG's employment. Governor Abd-al-Nasr al-Muntsir Billah issues his own Administrative Order on August 2 affirming the Council's decision.

14. (C) In subsequent PC plenary sessions, PC members noted with frustration that, despite their actions, Sakban has remained in his position and displayed no signs of leaving. On August 13 the Governor issued several memoranda related to the issue: the first to Sakban urging him to respect the decision of the Council and to leave; the second to the Ministry of Oil advising them of Mr. Sakban's refusal to step down and naming an interim replacement DG. Additional memos were sent to the Diyala Operations Command (Iraqi Army) and Diyala Police Directorate notifying them of the situation and soliciting their help in removing Sakban from office.

15. (SBU) During the September 1 Council Meeting, the PC Chair Abd-al-Talib Muhammad Hasan displayed a letter he had received from the Ministry of Oil's Legal Directorate representative Professor Hussein Al Sharistani, declaring that it was not the role of the Governorate to interfere in Ministry affairs. The letter states that, "oil sector companies are exempt from the terms of the General Companies Laws, article (22), 1997. The Ministry of Oil is solely responsible for managing these firms, and the Governorates should not interfere in regulatory or administrative affairs." There was no mention of any planned Ministry action related to Mr. Sakban.

16. (SBU) According to the Provincial Council's interpretation of the Provincial Powers Law Article 7 (9.2) they retain the authority to remove senior officials including Directors General. The Provincial Governor shares

this interpretation as well. The Ministry of Oil has its own interpretation of the statute and cites Article 22 of the 1997 General Companies Law. The PC has referred the matter to its legal Committee for further study. Meanwhile, Sakban remains in his position and the PC grows increasingly frustrated at the lack action on an issue they see as a fundamental part of its duties, not to mention one well within their authority as elected officials.

17. (C) COMMENT: This is an important test to the application of the Provincial Powers Law, with possible ramifications for all the provinces.. The way in which this issue is resolved might well define the future respective roles authority of both the PC and each of the Directorates Qroles authority of both the PC and each of the Directorates General. While this issue certainly calls for an Iraqi resolution, by enlisting the help of the IA in this matter the Governor may be unwittingly empowering the Iraqi Security Forces to become further involved in civil affairs. It is also interesting to note that Sakban is also referred to as al-Tamimi Sakban (the Tamimi being a well known and influential tribe in the area) and that the Deputy Governor, Furat Muhammad al-Tamimi, has recently noted the Governorates' intent to exploit natural gas resources in the Mansuriyah area. (END COMMENT)
HILL